

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Wright Analyst: Gloria McConnell Bill Number: AB 370

Related Bills: _____ Telephone: 845-4336 Amended Date: 09/03/99

Attorney: Janet Ballou Sponsor: _____

SUBJECT: Child Support Enforcement/Date Amount Due Calculated

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended 06/16/99.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- ☐ FURTHER AMENDMENTS NECESSARY.
- ☒ DEPARTMENT POSITION CHANGED TO Neutral.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED 06/16/99 STILL APPLIES.
- ☒ OTHER - See comments below.

SUMMARY OF BILL

Under this bill, whenever a notice is issued by a state (or local) governmental agency to a support obligor, the notice would be required to:

- state the date upon which the amount of the delinquency was calculated;
- notify the obligor that the amount calculated may or may not include interest; and
- notify the obligor of his or her right to request that the local child support agency (county) review the arrears and make an administrative determination of arrears. A request for an administrative determination would not suspend the enforcement of the arrearage, unless so instructed by the county.

The above requirement for the notice would not be imposed until the county has instituted one of several specified automated systems, including the statewide child support automation system. However, the bill also provides contingency language if AB 196 and/or SB 542 were enacted. In that case, the above requirement for the notice would be imposed only at the time the local child support agency has instituted the statewide child support automation system.

The bill also makes changes to other child support enforcement provisions that do not have a direct impact on FTB's child support delinquency program. This analysis does not address these other provisions.

This summary analysis reiterates the Implementation Consideration and Fiscal Impact previously raised.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Geoff Way for J. Rosas 9/15/1999

SUMMARY OF AMENDMENT

The September 3, 1999, amendment provides for the above contingency language. If AB 196 and/or SB 542 were enacted, the above requirement for the notice would be imposed only upon the county instituting the statewide child support automation system.

The August 16, 1999, amendment resolves the implementation consideration raised in the previous analysis. Before this amendment, the bill could have been interpreted so that when an obligor makes a request for an administrative determination, FTB would be precluded from suspending enforcement unless the county notifies FTB to do so. This interpretation would have removed FTB's existing ability to use discretion to voluntarily suspend enforcement when warranted based on the circumstances of the particular case.

Implementation Considerations

The county will furnish FTB with the date upon which the county calculated the amount due. However, implementation of this bill would require computer programming changes by FTB to enable inclusion of the date the support delinquency amount was calculated on FTB's notice. Staff anticipates it would need approximately 120 days after enactment of the bill to make and test the programming changes and revise the notice. Because this requirement to include the calculation date on FTB's notice is conditional upon the county instituting a specified system, staff anticipates it will have sufficient time to make and test the programming changes.

Staff anticipates that for purposes of clarifying for the obligor the amount that is due, FTB also may include a statement on the notice indicating that the amount due as calculated by the county may have been adjusted by FTB to reflect any payments recently received by FTB.

FISCAL IMPACT

Departmental Costs

Staff anticipates implementation of this bill would cost the department approximately \$5,000 (one-time programming and testing costs), which would be absorbed in FTB's existing budget.

Collection Estimate

This bill would not affect FTB's collection of child support.

BOARD POSITION

Neutral. The FTB at its meeting of July 6, 1999, voted to take a neutral position on this bill.